

# Absopure Water – Since 1908



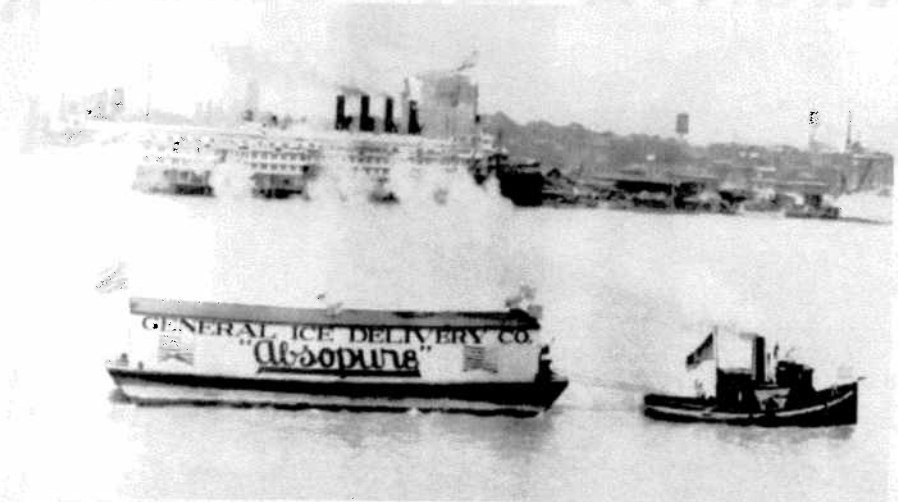
## **Absopure Water Company and Affiliates House Committee Presentation**

November 7<sup>th</sup>, 2007

# Absopure Water and Affiliates



- Founded in Michigan, Absopure has been in business since 1908... celebrating it's 100 year anniversary in 2008!
- Same family ownership for over 50 years!
- Based in Michigan – employs over 5,000 people.



# Absopure Water and Affiliates



## AFFILIATE PROFILE

- Plastipak Packaging – Michigan-based plastic bottle manufacturing company employing 4,500 within USA
- Whiteline Express – Michigan-based trucking co. employing 400 people
- Clean Tech & TABB Packaging Solutions – Michigan-based plastic recycling companies with over 100 Michigan employees; state of the art facility in Dundee, MI

**These companies contribute state employment of over 1,100 employees, creating a yearly \$44 Million state payroll**

**These companies have also invested over \$200 Million in capital spending, and we spend another \$200 Million with Michigan-based vendors during the last 12 months**

# Absopure Water and Affiliates



## Impact on Michigan Tax Base

Personal Property Taxes	\$ 1,299,000
Real Property Taxes	868,100
Sales & Use Taxes	857,500
Single Business Taxes	737,900
Fuel Taxes and Registration Fees	223,900
Withholding Taxes	<u>1,590,000</u>
<b>Impact on Michigan Tax Base</b>	<b>\$ 5,567,400</b>

# Absopure Water and Affiliates



## Impact on Michigan Economy

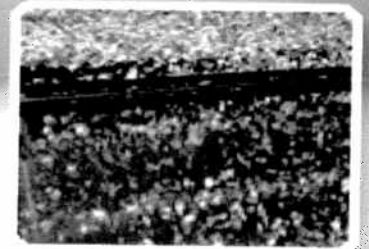
Annual Michigan Payroll	\$ 44,080,300
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Investment in Michigan Assets	\$201,318,000
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Annual Spend with Michigan Vendors	\$203,466,000
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# Clean Tech

**CLEAN TECH**  
INCORPORATED



## A Michigan Commitment to Recycling

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# Clean Tech

## H.D.P.E. and P.E.T. Recycling

Recycle material from 20 states,  
including most plastic bottles  
from Michigan curbside  
programs... over 1.5B bottles a  
year

### P.E.T. (ie: Water & Soft Drink Bottles)

- 100MM lbs Capacity

### H.D.P.E. (ie: Laundry detergent)

- Doubled size of Processing Capability
- Approximately 90MM Pounds Processing Capacity

**CLEAN TECH**  
INCORPORATED  
**DUNDEE, MICHIGAN**



**Recent expansion**

# Clean Tech

**CLEAN TECH**  
**INCORPORATED**

Video





# Michigan's 2006 Water Use Legislation

- Governor Granholm signed legislation on February 28, 2006
- Enacted comprehensive & balanced water use legislation with tough regulation of large scale withdrawals
- Resulted from bipartisan negotiation with government, industry, and environmental interest group participation, including Absopure Water
- As part of the process, we agreed to stricter regulation for bottled water than for other groundwater use
- The bills under consideration threaten to unravel this legislation and set Michigan's water use protection laws back at a time when we can least afford it

# Bottled Water is a Consumptive Use

- A major problem with the bills under consideration – elimination of the definition of bottled water as a “consumptive use”
  - consumptive use is self-evident: people don’t bathe in it, irrigate with it, or manufacture with it
- Of the 11 billion GPD (Gallons Per Day) of large-scale water withdrawals in Michigan, bottled water is a very small percentage
- Additionally, bottled water is not feasible for large-scale long-distance shipments due to freight costs

# Bottled Water is a Consumptive Use

- Nationwide, only 0.02% of groundwater withdrawals is used for bottled water
- Michigan and the Midwest as a whole are not centers for bottled water manufacturing – mostly produced on the East, West, and Gulf Coasts
- The Great Lakes Basin imports 14 times more bottled water than it exports
- Passing the legislation will not accomplish its stated purpose – it will only make Michigan uncompetitive to neighboring states
- Industrial water use is declining – From 800 MGD to 550 MGD or less (-33% less from 1997, -24% less from 2002)

# Public Trust Doctrine

- The State has the obligation to regulate water, but does not own every single drop of water.
- If the State goes too far, it raises constitutional issues in respect to private property rights.

# Environmental Stewardship and Corporate Responsibility

- Some proponents of this legislation are advocating based upon perceptions that plastic water bottles are an unnecessary extravagance.
- Actual water withdrawals for bottled water are a comparatively minor consumptive use.
  - Additionally, bottled water is not feasible for large-scale long-distance shipments due to freight costs
- Review of some of our significant **green** contributions to the State of Michigan:
  - Clean Tech and Tabb Packaging Solutions plastic recycling capabilities
  - Our companies' success in light-weighting plastic bottles
  - Promoting bottled water as a healthy alternative to other beverage choices

# In Closing



## FACT 1

- Passing this legislation does not represent the best of Michigan spirit, is not the product of compromise and bipartisan effort, and most certainly will not benefit generations to come.

## FACT 2

- Absopure supports sensible management of Michigan's water resources – long term quality and sustainability is vitally important to our ongoing commercial success.





Thank You

Questions?